

THOMAS J. VILSACK
GOVERNOR

STEVEN K. YOUNG, DIRECTOR

SALLY J. PEDERSON
LT. GOVERNOR

TO: Administration and Regulation Appropriations Subcommittee Members

FROM: Steven K. Young

DATE: March 14, 2002

RE: Department of Inspections and Appeals Budget Presentation Questions

Thank you for your courtesies extended during my recent appearance before your subcommittee. During my presentation, several questions were raised related to expenditure line items in the department's Health Facilities Division budget and activities of personnel under the Administration Division. We have researched the questions and have the following answers:

1.) Why did ITS Reimbursements decrease significantly from FY01 Actual to FY02 Budget?

We were anticipating a change in the manner we paid ITS for maintenance of our Single Contact Repository. (This is the system that allows Health Care Facilities to make background inquiries concerning potential employees.) Consequently, ITS reimbursement dollars were budgeted in FY02 at the Data Processing Non-Inventory line item when the budget was initially prepared. It turns out that we will actually be making the payments under the ITS Reimbursement line item, rather than the Data Processing line item. We intend to adjust this deviation for FY03.

2.) Why is there such a significant variance from FY01 Actual to the FY02 budget for Data Processing Inventory and Data Processing Non-Inventory line items?

Most of the budget for this division is federally funded. The budgeted amounts shown for FY02 and FY03 include budgeted federal funds. The FY01 actual expenditures are low because deep spending restrictions were implemented toward the end of FY01. These spending restrictions applied regardless of funding source (which, of course, included state match dollars). Similar spending restrictions are in place for FY02, so the budgeted numbers are higher than what is anticipated to be spent.

3.) Why is Out-of-State Travel increasing so significantly?

The Out-of-State travel budget for this division is 100% federally funded. The division has experienced some staff turnover. New surveyors coming to the division are required to attend training in Baltimore, Maryland. Training and associated costs appear as Out-of-State travel. With our spending constraints, it is probable that expenditures will not reach the budgeted level.

4.) What information technology services are we providing that the Information Technology Department (ITD) cannot?

Under the Administration Division, we have 1.00 FTE responsible for information technology services for the department. Eighty-five percent of the position's time is spent on user support and compliance with unique and ever changing federally-mandated software requirements. User support includes support for specialized federal programs, remote connections, specialized databases and education. Federal compliance includes upgrading software every two to three months.

Having a resource readily available within the department provides the opportunity to keep costs for services and down time to a minimum, to have someone familiar with the diverse business applications in the agency, and to maintain a daily ongoing relationship with unique users.

5.) Why can't Department of General Services provide the purchasing, inventory management, vehicle fleet management and facility management for the department?

We have 2.00 FTE who, as a portion of their time, are responsible for centrally processing purchasing requests, maintaining the equipment inventory, managing the vehicle fleet, and managing the facilities of the department. Each state agency is required to perform these functions using the guidelines and parameters for these activities set by the Department of General Services and the Department of Revenue and Finance.

6.) As an aside, I should note that Representative Raecker's question during the Foster Care Review Board presentation may not have captured complete information. Line items for Equipment and Data Processing for the Foster Care Review Board are significantly lower because of spending restrictions, not lease savings.

If you need any additional information whatsoever, please feel free to contact me at 281-5457, or Deputy Director Dean Lerner at 281-6405, or Legislative Liaison John Priester at 281-4846.

cc: Ron Robinson, LFB